

State of Louisiana

Division of Administration
Office of the Commissioner

M. J. "Mike Foster, Jr.
Governor

Mark C. Drennen
Commissioner of Administration

February 26, 2002

Dr. E. Joseph Savoie
Commissioner of Higher Education
Board of Regents
150 Third Street, Suite 129
Baton Rouge, LA 70801

Dear Dr. Savoie:

To the extent possible, the Louisiana Comprehensive Annual Financial Report must conform to the intent of the Legislature. With the implementation of GASB 34 this year, we will reflect the four higher education systems (Louisiana State University, Southern, University of Louisiana, and the Louisiana Community and Technical College) as major discrete funds and each system will be shown on the CAFR Statement of Activities individually as a separate entity. Higher education is a major program of the state and this concept will be showcased for the readership of the CAFR.

The General Appropriations Act (Act 12 of 2001) provided that your system would be reflected as one appropriation with one agency number instead of the separate appropriations as has been the practice in the past. While we recognize accounting and financial reporting is performed at separate locations for your system, higher education is currently configured as four systems, each with its own governing board. The Board of Regents and the Louisiana Universities Marine Consortium, however, continue to be shown as separate appropriations and will not be combined with the four systems.

To achieve our goal as mentioned above, we must have consolidated reports from your system. I understand the problem this represents-you too have GASB 34/35 to implement. Consolidated statements will be of great benefit to CAFR preparation, conform to the intent of the legislation, and should also be an analysis tool for the upper management of the four systems.

A request was made at the recent college implementation group meeting to extend the usual September 1 reporting deadline due to the immense effort required to implement GASB 34/35 for fiscal year 2002. My staff and I recognize that colleges and universities, as well as the other discrete components units, have to provide information in their financial statements that OSRAP is able to provide for regular state agencies. Because of this additional work required of

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colleges and universities, I am granting an extension to the reporting deadline. You will have until September 16, 2002 to submit your financial report, but you must provide system statements. Your cooperation in this undertaking is greatly appreciated.

Sincerely,

Mark C. Drennen
Commissioner of Administration

MCD:WJK:fhk

c: Dr. Dan Kyle, CPA
Mr. Donald Vandal